GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines and Minerals – Seigniorage Fee - Reduction of Seigniorage fee on Granite blocks having the size below 270 Cm X 150 cm of Black (Other than Galaxy) and Colour Granite varieties only by 25% - Orders - Issued.

INDUSTRIES & COMMERCE (M-II) DEPARTMENT

G.O.Ms.No: Dated:08.01.2018

Read the following:

1) G.O.Ms.No. 100, Ind. & Com. (M-II) Dept., dt. 31.10.2015
2) Govt. Memo No.1821/M.II(1)/2017, Dt. 14.03.2017.
3) From the DM&G, GoAP., Single File No. 20115/MR/2017, Dt. 12.07.2017.
4) From the DM&G, GoAP., notes in the e-office file bearing C.No.1821/M.II(1)/2017, Dt. 08.09.2017.
5) From the DM&G, GoAP., notes in the e-office file bearing C.No.1821/M.II(1)/2017, Dt.20.11.2017.

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ORDER :

In the reference 2nd read above, Government requested the Director of Mines and Geology, Government of Andhra Pradesh to send remarks on the implementation of the Slab System for Granite factories exclusively in Ananthapuramu District.

2. In the reference 3rd read above, the Director of Mines and Geology, Government of Andhra Pradesh, has stated that a Committee has been constituted to study and examine the issue of introduction of Slab System for Granite factories exclusively in Ananathapuramu District.

3. Accordingly, the committee has submitted its report on 05.07.2017 to the Director of Mines and Geology, Andhra Pradesh, Vijayawada stating that Government of Andhra Pradesh has already provided significant support to the Napa Slabs industry, by reducing Seigniorage Fee in respect of Limestone Slabs (black) from Rs. 8/- per Sq. mt to Rs.5/- per Sq.mt., vide G.O.Ms.No.156, Inds & Comm. (M.I) Department, Dated:03.11.2016 and also reduced the rate of District Mineral Fund in respect of Limestone Slabs (black) from 30% of Seigniorage fee to 10% of Seigniorage fee, vide G.O.Ms. No.157, Inds & Comm. (M.I) Department, Dated:03.11.2016. As such, the Committee felt that there is no need to extend more concessions as well as restoration of Slab system for Napa Slabs.

4. Keeping in view of the interest of local industries as well as quarries, which are labour intensive and provide employment to rural people, the Committee recommends a concession of 40% of Seigniorage fee on cutter and tiles size blocks (except Galaxy variety) that are processed only in the state of Andhra Pradesh, because most of small scale granite units in the State are utilizing the cutter size and tile size blocks processed within the State only. The Seigniorage fee fixed for super gang saw and mini gang saw and all sizes of galaxy variety should maintain the same rates to safe guard the mineral revenue of the State Exchequer.

5. In the reference 5th read above, the Director of Mines and Geology, has submitted the following for consideration:

(i) Most of the Black and Colour Granite leases in the State are producing maximum quantity of the blocks having the size of below 270 cm X 150 cm and the quantities so produced is almost being cut and polished in the units situated in the State. However, about 30% of quarry leases and 20% of polishing units are not in operation because of the enhanced rates of Seigniorage fee, application of

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collection of contribution to District Mineral Fund & National Mineral Exploration Trust and the introduction of 12% Goods and Services Tax (GST) on raw blocks and 28% on polished slabs, which was further reduced to 18% in the recent GST Councl. If, 40% of the Seigniorage fees is reduced, these in-operative quarries may become operational and production may be increased, thereby resulting in operation of the closed polishing units also. Moreover, the mineral produced in the State will be processed in the State by adding value to the products.

(ii) Because of the current rates of Seignorage fees and allied taxes, illegal quarrying is being reported and if the reduction is considered the persons involved in such illegal activities will also come in to the legal fold and thereby resulting in increased production and in turn revenue to the State exchequer. The entire regulation of stabilizing production and collection of revenue will be done by the end of FY 2018-19.

(iii) The cutter size of granite blocks (below 270 cm X 150 cm) occupies 40% of the production share. If 40% reduction is considered, this may be compensated because of conversion of non-operative leases and units into operation and as such the collection of Seigniorage fee will also be increased. Direct and indirect employment will be increased. Power consumption will also be increased which will also have a direct bearing on revenue on electricity. Tertiary activities like Logistics, Transportation, Service and Value addition will also be increased proportionate to the production levels and the number of units coming into operation.

6. The Director of Mines and Geology has, therefore, requested the Government to grant concession of 40% of Seigniorage Fee on Cutter and Tiles size Blocks (except Galaxy variety) only that are processed in the State of Andhra Pradesh, as per the recommendations of the Committee in their report.

7. After careful consideration of the matter, Government hereby reduce the Seigniorage fee, prescribed in Schedule-I under Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966, on Granite blocks having the size below 270 Cm X 150 cm of Black (Other than Galaxy) and Colour Granite varieties only by 25%.

8. The Director of Mines and Geology, Government of Andhra Pradesh shall take necessary action, accordingly.

9. This order issues with the concurrence of Finance (FMU-Rev-I&C) Department vide their U.O.No.45027/341/FMU-Rev, I&C/2017, Dt.19.12.2017**.**

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SREEDHAR
SECRETARY TO GOVERNMENT (MINES)

To
The Director of Mines & Geology, Government of Andhra Pradesh.

Copy to:

The Finance Department.
The Law (H) Department.
The Secretary to Govt. of India, Ministry of Mines, New Delhi.
The P.S to Prl. Secretary to C.M.
The P.S. to M (M&G).
The P.S to Secretary (Mines)
Sf/Sc (C.No.1821/M.II(1)/2017)

//FORWARDED :: BY ORDER//

SECTION OFFICER